and the parties shall be released from any further obligation to participate in the program.

- 5. DEFAULT. If Producer defaults in its contract with Hormel Foods by failing to deliver hogs that the Producer is free to sell, or if Producer otherwise breaches this Agreement in any way, Producer shall indemnify, defend and hold Hormel Foods harmless against any losses, claims or lawsuits caused by said default or breach. Hormel Foods shall be entitled to offset any losses under this provision against any amounts due and owing to Producer until such unpaid costs have been satisfied.
- 6. <u>TERMINATION</u>. This Agreement is subject to termination by Hormel Foods at any time if Hormel Foods discontinues the slaughtering of hogs.
- 7. WAIVER. The failure of either party to enforce at any time any of the provisions of this Agreement, or to exercise any option which is herein provided, or to require at any time performance by the other party of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement or any part thereof, or the right of either party to thereafter enforce each and every such provision.
- 8. <u>LIMIT OF AUTHORITY</u>. Except as provided in this Agreement, it is agreed that neither party is in any way the legal representative or agent of the other party for any purpose whatsoever, and has no right or authority to assume or create any obligation of any kind, express or implied, on behalf of the other party.
- 9. <u>NONEXCLUSIVITY</u>. This Agreement shall not be exclusive to Producer, but instead may be offered by Hormel Foods to other qualified, like-situated producers in Hormel Foods' buying area.
- 10. <u>SUCCESSOR RESPONSIBILITY</u>. Any successor to the interests of Producer in the hog farming operation from which the hogs contracted for under this Agreement are supplied shall be fully responsible to fulfill Producer's obligations and commitments hereunder. Any assignment, sale or transfer of Producer's interests in its hog farming operation must include notice to the assignee that the assignment/transfer is subject to the terms and conditions of the Long-Term Purchase Agreement with Hormel Foods, and a copy of this Agreement shall be provided to the assignee. The